Aligning public financial management system and free healthcare policies: lessons from a free maternal and child healthcare programme in Nigeria

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Outline

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- Methods
  - Conceptual framework
  - Study setting
  - Research design
  - Study population and sampling strategy
  - Data collection
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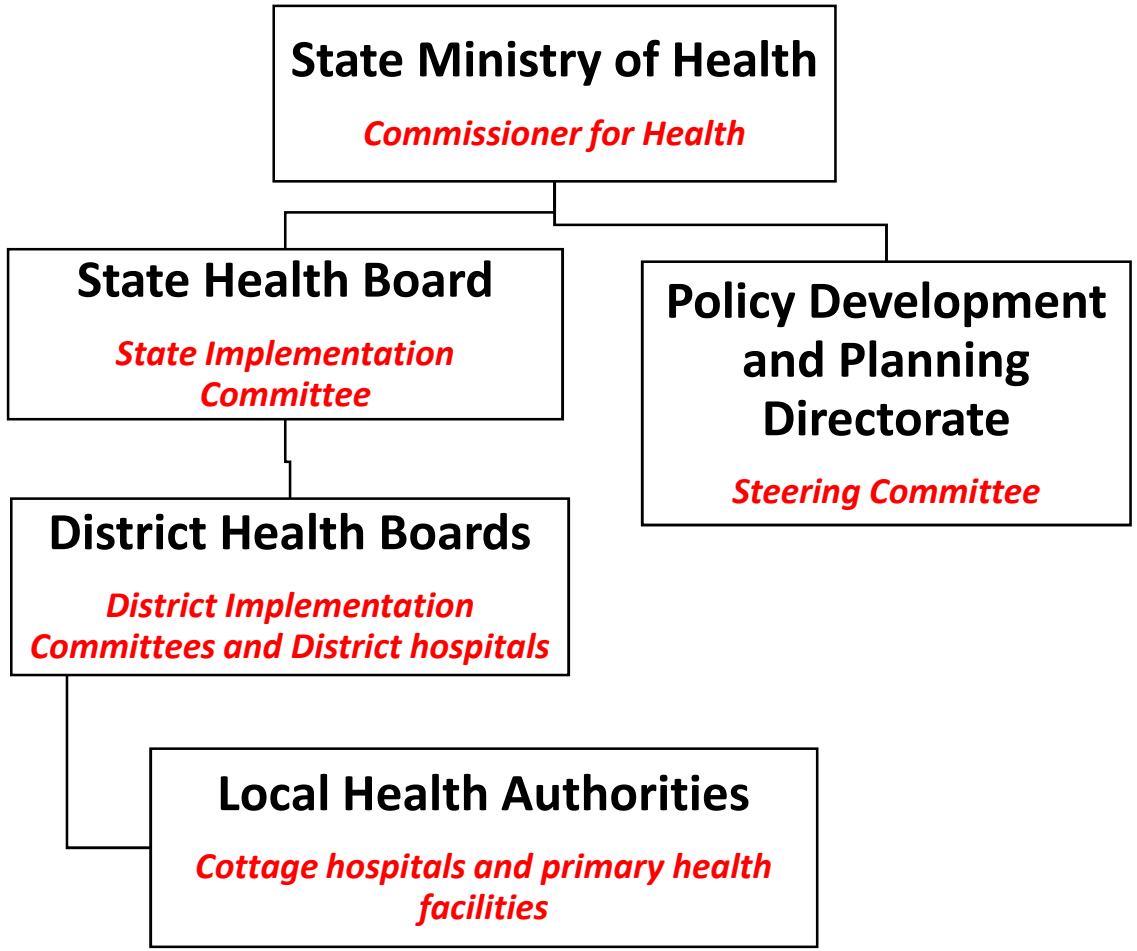
  - Ethical consideration
- Results
- Discussion
- Conclusions

Background I

- Free MCH program launched in 2007
- Tax funded – State & Local Government contributions
- Implemented through the District Health System[1]



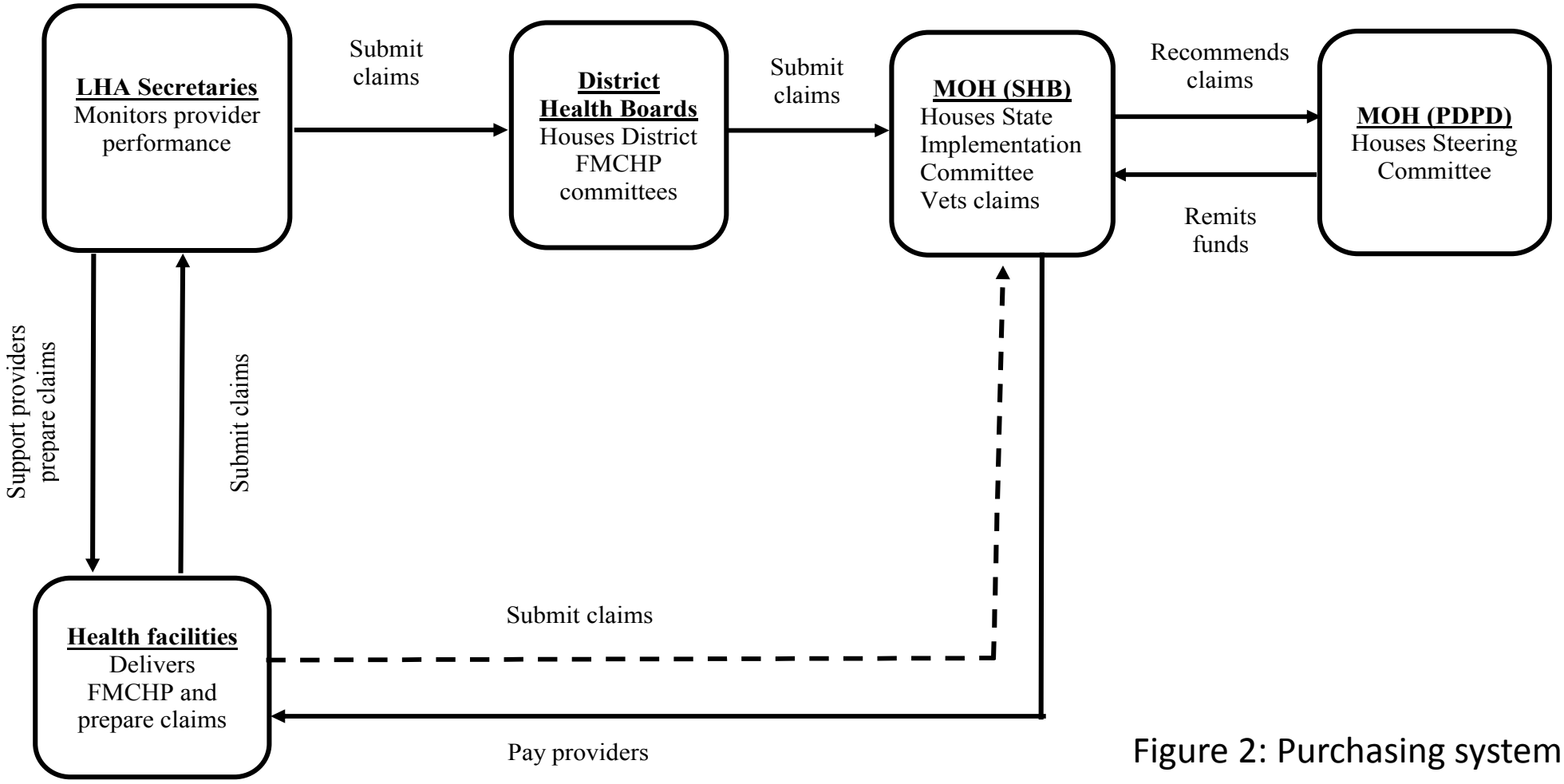


Figure 2: Purchasing system in FMCHP[2]

Background III

- Public financial management (PFM) - institutions, policies and processes governing the use of public funds.[3]
  - Sufficient and predictable resource allocation
  - Equitable and efficient use of resources
  - Better financial accountability
- Weak PFM promote
  - Corruption
  - Resource leakages
  - Misuse of funds[4]

Literature I

- Increased and predictable funding – China, Thailand & EEC[5-7]
- Insufficient budgetary allocations – Ghana, Nicaragua & India[8-10]
- Unchanging public spending – Senegal[11]
- Default from contributions – Nigeria & Mexico[12-14]
- Fixed annual budget and cap – Thailand[15]
- Non-adherence to spending caps in Mexico[14, 16]
- Institutional conflict in fund management in Mexico[12, 14, 16]
- Delays in fund transfer from state to providers

Literature II

- Limited information disclosure in Mexico
- High administrative cost in Mexico
- Low administrative cost in Thailand[17]
- Historical budgeting in Vietnam[18]
- Misallocation of resources to providers in Thailand[19]
- Lack of admin & utilization data in India and Nigeria.[10, 13]
- Robust HMIS in Thailand's UCS.[15]

Gaps in knowledge

- FMCHP policy envisaged
  - Adherence to contribution rules
  - Effective and efficient use of resources
- In practice
  - Frequency of and declining number of health facilities reimbursed. [20]

- **Objective**
  - Explore misalignments and provide evidence of how PFM can be better aligned with FMCHP

Conceptual framework[3]

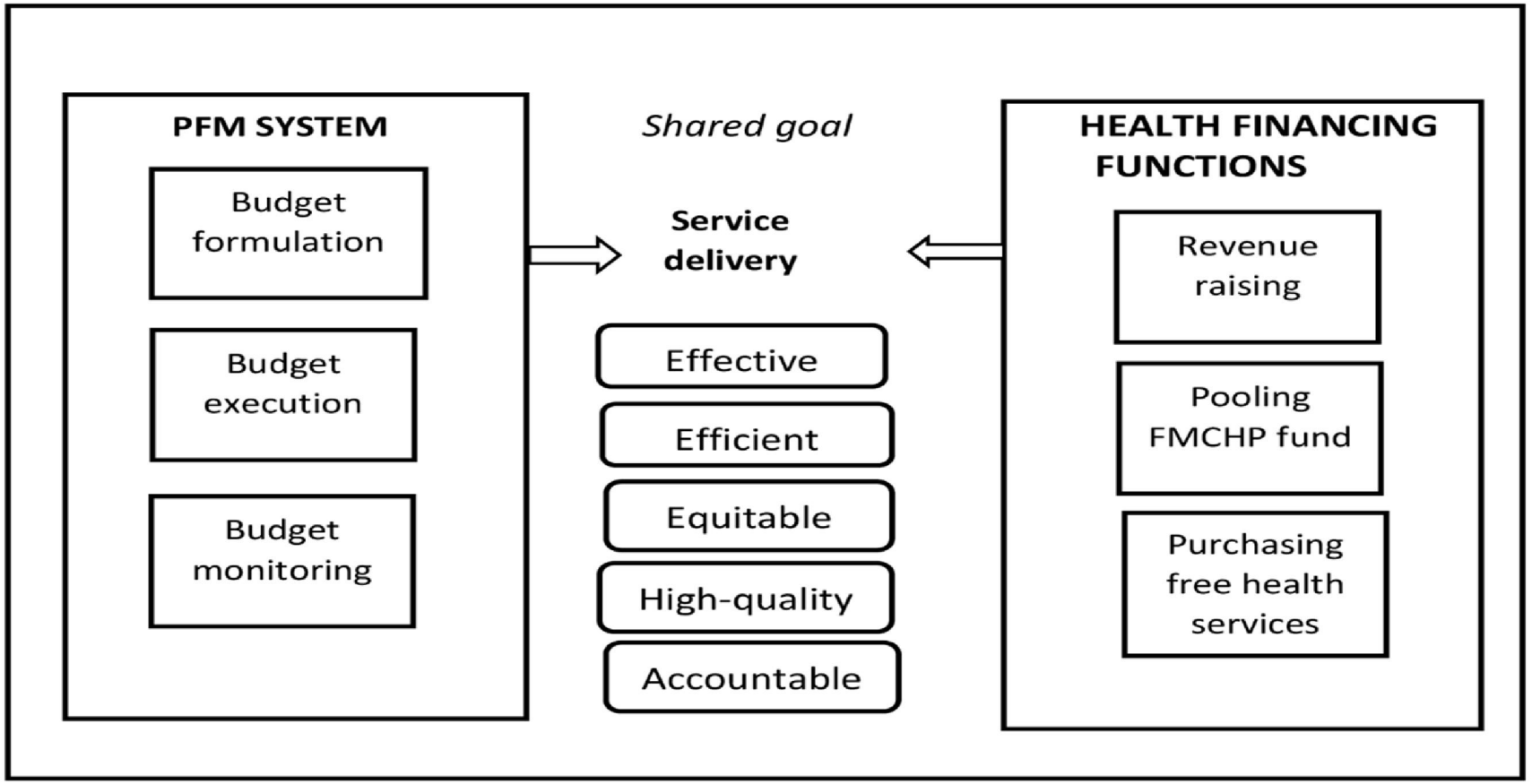


Figure 1 Framework for assessing alignment of public financial management and health financing policies

Methods

- **Study setting:** Enugu State, Nigeria,
  - >4M people[21];
  - skill-birth attendance 36.5% and U5MR 131/1000 livebirths[22]

- **Research design**:
  - Mixed method[23]
  - Quantitative – secondary analysis of financial data

  - Qualitative
    - Document review
    - Semi-structured interviews (SSIs)

- **Study population and sampling strategy:**
  - Policymakers at state (n = 12) and 2 districts (n = 4).

  - Purposive sampling

- **Data collection**
  - Quantitative
    - State & LG budget transfers
    - Transfers from SC to IC
    - Other expenses from FMCHP fund
    - Payments to providers and central medical store
    - Audit report

Methods

- Qualitative
  - Document review
    - 27 documents reviewed.
  - In-depth, SSIs
    - Interview guide
    - Audio-taped
    - Transcribed verbatim
    - Member-check
- **Data analysis**
  - Quantitative
    - Trend analysis
    - ANOVA
  - Qualitative
    - Adopted a framework approach
- **Ethics**
  - IRB of University of Nigeria Teaching Hospital Enugu

Results

Quantitative

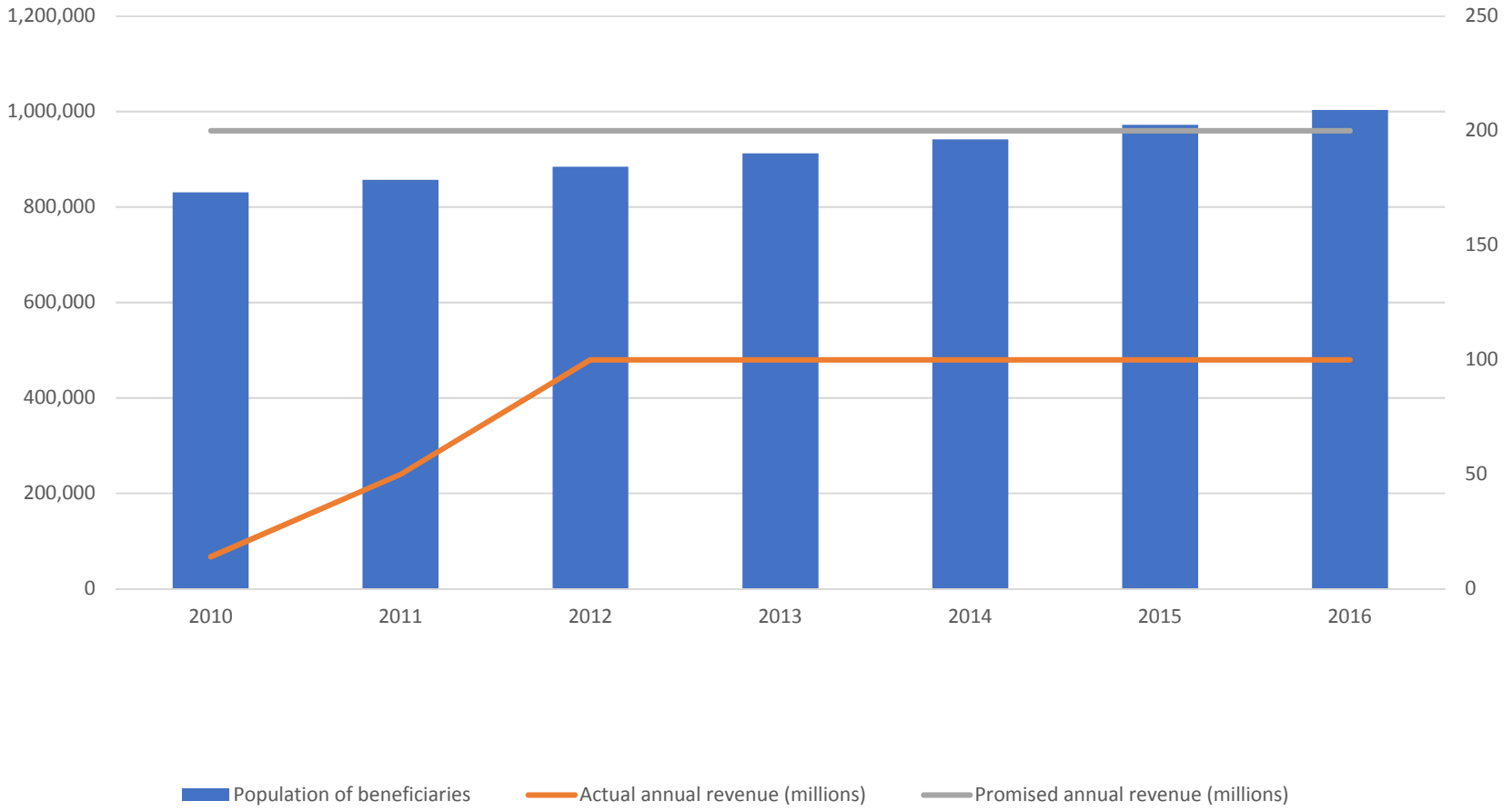


Figure 2 Trend of revenue raising for FMCHP and population of target beneficiaries

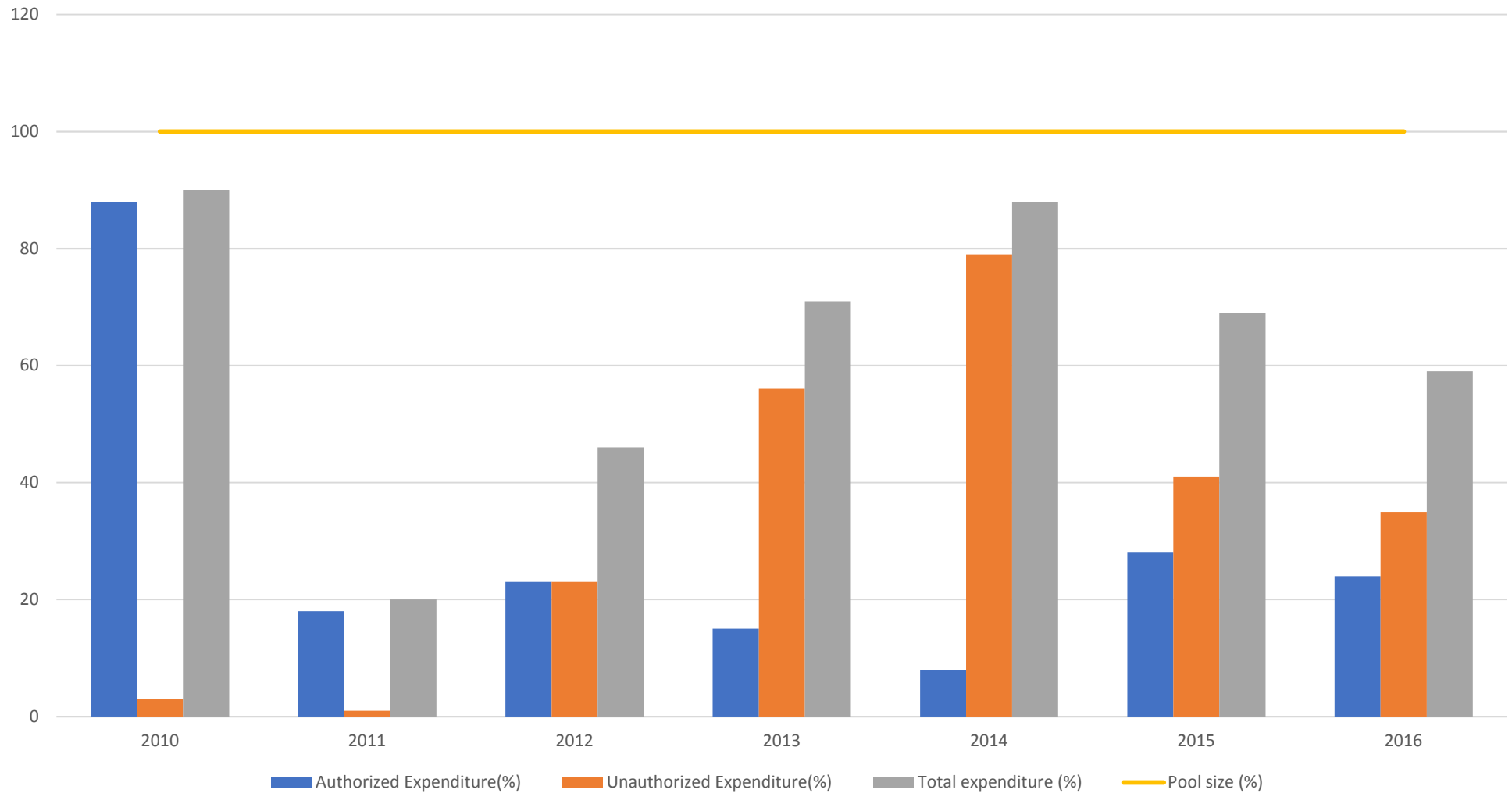


Figure 3 Trend of spending from FMCHP funds between 2010 and 2016

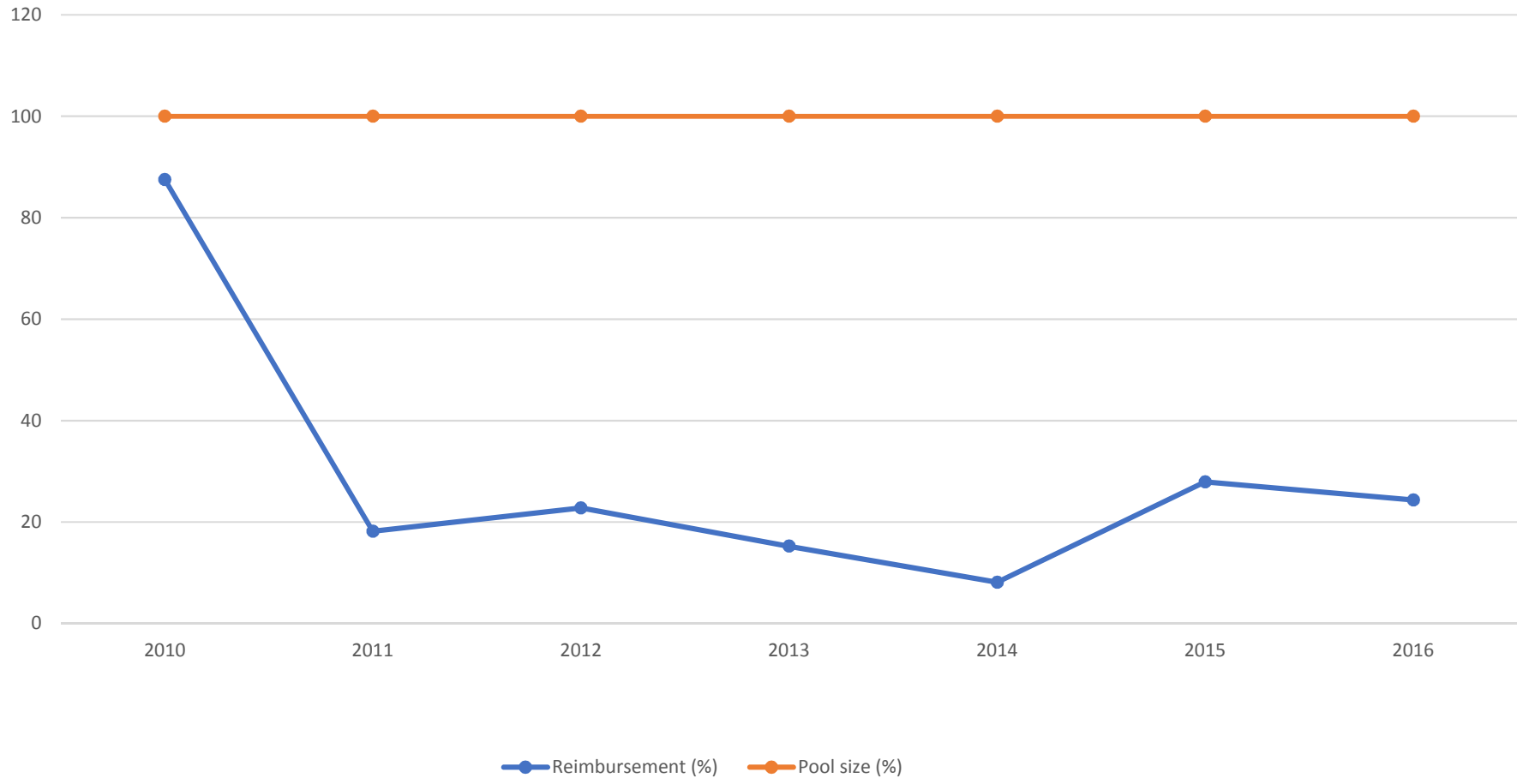


Figure 4 Proportion of annual pool size spent on payment of healthcare providers

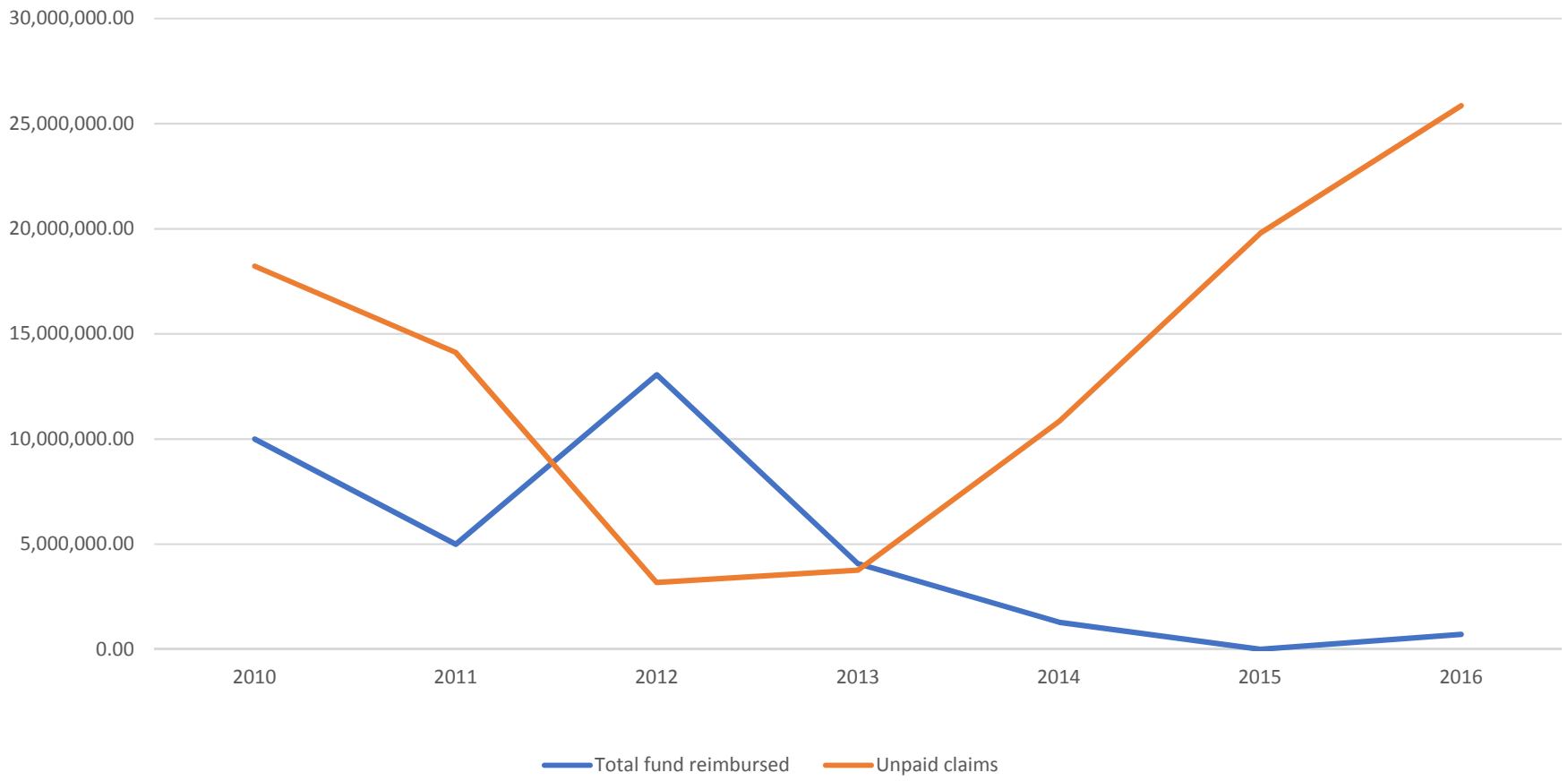


Figure 5 Trend of annual reimbursement and cumulative unpaid claims in ESUTH

Table 1 Misalignment of PFM and health financing functions in FMCHP in Enugu State

PFM system	HF functions	Themes	Sub-themes
Budget formulation	Revenue raising	Level of funding	Weak budgeting with promised funding remaining static since inception
			Weak enforcement of revised contribution rule
Budget execution	Pooling and fund management	Level of pooling	Only Local Government sustained contribution to FMCHP fund
		Level of administrative efficiency	Weak Steering Committee No spending cap in the FMCHP guidelines High unauthorised expenditure from FMCHP fund

Table 1 Misalignment of PFM and health financing functions in FMCHP in Enugu State

PFM system	HF functions	Themes	Sub-themes
Budget monitoring	Purchasing	Payment of providers	Delayed payment of providers
			Fraction of claims paid to some providers
		Level of administrative efficiency	Non-remittance of administrative costs to LHAs
			Over-reporting of attendance by providers (gaming)
		Transparency	Unclear reimbursement process Lack of financial information disclosure
			No regular auditing of FMCHP account
			Resistance to financial monitoring by IC officials

Discussion

- Findings show insufficient and unpredictable funding.
- Unchanging promised funds vs increasing beneficiaries and cost of care.
- State government defaulted from contribution
- Need for shift from historical budgeting to evidence-informed budget
- Strict enforcement of contribution rules

Discussion II

- Findings show absence of clear resource allocation strategy
- High unauthorised expenses
- Weak accountability between SC and IC
- Need for clarity of roles to minimise institutional conflicts
- Financial information disclosure
- Clear resource allocation strategy
- Enforcement of fund management rules

Discussion III

- Delay in payment of providers
- Accumulation of unpaid claims
- Stock-out of drugs
- Resumption of user fees
- Institutional conflicts between MOH & LHA officials
- Weak vetting team
- Paper-based claims management
- Weak Steering Committee

Conclusions

- Realistic and evidence-informed annual budget.
- Clarity of roles of FMCHP committees
- Disclosure of financial information
- Use of clear resource allocation strategy and
- Adherence to fund management rules.
- Timely payment of providers
- Enforcement of provider payment standards
- Use of ICT aligned with HMIS to manage provider payment.

Thank you

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